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TAGS: PTER PREL PGOV EFIN KTFN SA

SUBJECT: APHSCT TOWNSEND NOVEMBER 15 MEETING WITH CROWN PRINCE SULTAN

Classified By: Ambassador James C. Oberwetter for reasons 1.4 (b) and (d).

- 11. (S) Assistant to the President for Homeland Security and Counterterrorism (APHSCT) Fran Townsend met on November 15 with Crown Prince Sultan, who immediately steered the conversation to the Israeli/Palestinian conflict. He noted the ongoing violence and raised the Arab Peace Plan proposed by King Abdullah while he was still Crown Prince as a solution, which he claimed only Israel does not accept. The Crown Prince said he looks forward to the day when all Arab states recognize Israel, saying it is up to the U.S. and the Arabs to push a solution. APHSCT Townsend conveyed the President's commitment to peace in the Middle East, noting that there seems to be progress towards the establishment of a unity government. The Crown Prince expressed hope that this issue would be resolved within the next two years.
- 12. (S) The Crown Prince expressed concern about the situation in Iraq, noting the daily killings and pointing out that Iranian interference in Iraq is dangerous and does not serve region's interests. He emphasized that the Saudis are following the sectarian violence closely, fearing that this could negatively impact Shi'a-Sunni relations throughout the world. However, he assured APHSCT Townsend that there has, to date, been no indication of increased Iranian influence in Saudi Arabia's Eastern Province. He said that Saudi Shi'as are a small minority, &living well," and participate in all facets of Saudi life. (COMMENT: The Saudi Shi'a constitutes 10-15 percent of Saudi Arabia's population, although a significantly higher percentage in the oil-rich Eastern Province. They suffer significant discrimination and have a limited ability to participate in all facets of Saudi life. END COMMENT.) He said there are some malcontents in the Shi'a community who are dealt with on a case-by-case basis. While there is no immediate fear of Iranian influence in the Kingdom, the Crown Prince emphasized the fear that increased Iranian influence in Iraq will negatively affect the security of the entire region. APHSCT Townsend agreed, pointing out that it has clearly impacted Syria and Lebanon. She noted that there is growing evidence of increased Iranian interference in southern Iraq -- including funding, training, and assistance with explosive device technologies.
- 13. (S) APHSCT Townsend lauded the SAG's cooperation with the FBI and CIA during the past four years and noted the Mubahith's progress on its most-wanted list. APHSCT Townsend continued that, despite this progress, there is much more to

accomplish. She expressed concern about recent discussions with the Government of Kuwait (GOK), which she said avoids dealing with extremist elements so as "not to stir things She requested SAG assistance in pressuring the GOK to more aggressively engage on this issue. The Crown Prince suggested that the Kuwaitees have adopted a constitution and democracy that are "bigger than they are." He pointed out that there are more than 100 nationalities in Kuwait -including some Saudis. He said the SAG, per the wishes of the GOK, has not pressed for the return of Saudi nationals. He indicated that the SAG would do what the Kuwaitis want in this regard. The Crown Prince claimed that the Kuwaitis have "more relations" with Iran, stating that, to get rid of them, will take time and strength. He emphasized that the SAG considers itself responsible for facilitating regional security, development, and cooperation. He assured APHSCT Townsend that the SAG wants "to see them (Kuwait) stable and secure." He emphasized the need for patience, saying that the SAG will continue on the "path of progress."

- 14. (S) APHSCT Townsend indicated positive bilateral discussions relating to securing the oil infrastructure, stating that the USG is prepared to provide to the Saudi team a long-term, in-country expert. The Crown Prince conveyed that this proposal has been accepted and emphasized that the Saudis are eager to cooperate with the U.S. on these issues. He noted that King Abdullah was also very pleased with these discussions and hopes the results will be even better.
- 15. (S) The Crown Prince noted that he had called Secretary of Defense Nominee Robert Gates and assured him of the SAG's continued cooperation. He said he hoped that, as Secretary, Mr. Gate's first trip would be to Saudi Arabia. The Crown

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Prince asked that APHSCT Townsend pass this request to the new Defense Secretary as well as to the President. He continued that he is pleased with the cooperation between the Saudis and the U.S. and hopes the USG will reconsider its "surveillance program" for visa holders -- especially Saudi students. He pointed out that many Saudis are now traveling to Europe instead of the United States. Ambassador conveyed that Internet appointments are now being accepted and that, despite increases in the number of applications, the waiting times for interviews have significantly decreased.

- 16. (C) The Crown Prince closed by noting media reports of threats to the SAG and instability within the ruling family. He pointed out that, although there have never been "succession problems," King Abdullah believes the new Allegiance Commission will nonetheless reassure Saudis and the rest of the world that there will always be a smooth transition of rule. He emphasized that this transition will now be to the "fittest," saying that it is good news for the U.S. and Saudi Arabia's other friends. Stability, cooperation, and continued goodwill will remain intact.
- 17. (U) This cable has been cleared by APHSCT Townsend.

OBERWETTER